



Reprinted
February 6, 2001

HOUSE BILL No. 1423

DIGEST OF HB 1423 (Updated February 5, 2001 3:28 PM - DI 92)

Citations Affected: IC 20-1; IC 21-3; noncode.

Synopsis: Vocational education funding. Authorizes the governing body of a school corporation meeting certain criteria to withdraw from a cooperating agreement to establish or maintain a school or department for vocational education without the vote of a majority of the governing bodies of the cooperating school corporations. For purposes of the vocational education formula that becomes effective in 2002, requires the department of workforce development to provide the department of education with a report listing whether the Indiana average wage level for each generally recognized labor category is a high wage, a moderate wage, or a less than moderate wage. Uses this wage report (along with the reports categorizing vocational education programs by employment demand) in determining the amount of the vocational education grants. Increases vocational education funding per pupil from \$230 to \$250 for pupils enrolled in programs not covered by the employment demand categories. Eliminates the vocational education funding component for pupils receiving a certificate of achievement. Provides vocational education funding of \$150 per pupil for pupils participating in a vocational education program in which pupils from multiple schools are served at a common location. Changes the expiration date of the law governing vocational education grants from January 1, 2002, to January 1, 2004. Provides that in 2002 and 2003, a school corporation is guaranteed funding equal to at least 75% of the vocational education funding received by the school corporation in 2001.

Effective: January 1, 2001 (retroactive); December 31, 2001; January 1, 2002.

Bauer, Hoffman, Buck, Kruse

January 11, 2001, read first time and referred to Committee on Ways and Means.
January 31, 2001, reported — Do Pass.
February 5, 2001, read second time, amended, ordered engrossed.

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First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 1423

A BILL FOR AN ACT to amend the Indiana Code concerning education finance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 20-1-18-7 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]:
3 Sec. 7. (a) Two (2) or more school corporations may cooperate to
4 establish and maintain or supervise schools or departments for
5 vocational education if the governing bodies of these school
6 corporations agree to cooperate and apportion the cost of the schools
7 or departments among the school corporations.
8 (b) If the cooperating school corporations agree to establish and
9 maintain or supervise the schools or departments under subsection (a),
10 the heads of these school corporations or their delegated
11 representatives constitute a board for the management of the schools
12 or departments. The board may adopt a plan of organization,
13 administration, and support for the schools or departments. This plan,
14 if approved by the Indiana state board of education, constitutes a
15 binding contract between the cooperating school corporations.
16 (c) **This subsection does not apply to the withdrawal of a course**
17 **offering from a cooperative agreement.** The governing bodies of the

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cooperating school corporations may cancel or annul this contract by the vote of a majority of these governing bodies and upon the approval of the Indiana state board of education. ~~However,~~ **In addition, the governing body of a cooperating school corporation may withdraw from a cooperative agreement that does not include an expiration date by doing the following:**

(1) Providing written notice of the school corporation's intent to withdraw from the cooperative agreement to the governing bodies of the other cooperating school corporations at least sixty (60) days before the date the school corporation's withdrawal becomes effective.

(2) Providing written notice of the school corporation's intent to withdraw from the cooperative agreement to the Indiana state board of education at least sixty (60) days before the date the school corporation's withdrawal becomes effective.

(d) This subsection applies only to the withdrawal of a course offering from a cooperative agreement. If a school corporation desires to withdraw a course offering from the cooperative agreement after:

(1) attempting to withdraw the course offering under any withdrawal procedure authorized by the school corporation's cooperative agreement or by law; and

(2) being denied the authority to withdraw the course offering;

the school corporation may appeal the denial to the Indiana state board of education. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the Indiana state board of education for approval. The proposal must describe how the school corporation intends to implement the particular vocational education course and must include a provision that provides for at least a two (2) year phase-out of the educational program or course offering from the cooperative agreement. Upon approval of the proposal by the Indiana state board of education, the school corporation may proceed with the school corporation's withdrawal of the course offering from the agreement and shall proceed under the proposal. This withdrawal procedure may not be construed to permit a school corporation to change any other terms of the contract under subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

(d) (e) The board described in subsection (b) may enter into an agreement to acquire sites, buildings, and equipment by lease or purchase that are suitable for these schools or departments. This authority extends to the acquisition of facilities available under



1 IC 21-5-11.

2 ~~(e)~~ **(f)** This board may, by resolution adopted by a majority of the
3 board, designate three (3) or more individuals from its membership to
4 constitute an executive committee. To the extent provided in the
5 resolution, this committee shall exercise the authority of the full board
6 in the management of the school and shall submit a written summary
7 of its actions to the full board at least semiannually.

8 **(g) If a school corporation that withdraws from a cooperative**
9 **agreement without the vote of a majority of the cooperating school**
10 **corporations under subsection (c) is a party to a lease agreement**
11 **with the other cooperating school corporations, the withdrawing**
12 **school corporation must continue to make the lease payments**
13 **required by the lease agreement.**

14 SECTION 2. IC 21-3-12-2, AS AMENDED BY P.L.3-2000,
15 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JANUARY 1, 2001 (RETROACTIVE)]: Sec. 2. (a) Before April 1 of
17 each year, the department of workforce development shall provide the
18 department of education with a report listing whether the ~~Indiana~~ labor
19 market demand for each generally recognized labor category is more
20 than moderate, moderate, or less than moderate. In the report, the
21 department of workforce development shall categorize each of the
22 vocational education programs using the following four (4) categories:

23 (1) Programs that are addressing employment demand for
24 individuals in labor market categories that are projected to need
25 more than a moderate number of individuals.

26 (2) Programs that are addressing employment demand for
27 individuals in labor market categories that are projected to need
28 a moderate number of individuals.

29 (3) Programs that are addressing employment demand for
30 individuals in labor market categories that are projected to need
31 less than a moderate number of individuals.

32 (4) All ~~apprenticeship programs cooperative education programs,~~
33 ~~and programs~~ not covered by **the employment demand**
34 **categories of** subdivisions (1) through (3) shall be included in
35 this category.

36 **(b) Before April 1, the department of workforce development**
37 **shall provide the department of education with a report listing**
38 **whether the average wage level for each generally recognized labor**
39 **category for which vocational education programs are offered is a**
40 **high wage, a moderate wage, or a less than moderate wage.**

41 **(c) In preparing the labor market demand report under**
42 **subsection (a) and the average wage level report under subsection**



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(b), the department of workforce development shall, if possible, list the labor market demand and the average wage level for specific regions, counties, and municipalities.

(b) (d) If a new vocational education program is created by rule of the Indiana state board of education, the department of workforce development shall determine the category in which the program should be included.

SECTION 3. IC 21-3-12-4, AS ADDED BY P.L.273-1999, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 4. In addition to the amount a school corporation is entitled to receive in tuition support, each school corporation is entitled to receive a grant for vocational education programs. The proficiency panel must approve all state and national certificates and licenses for the purposes of this section. The amount of the vocational education grant is based on the count of

(1) pupils that have received a secondary level certificate of achievement in a technical field under IC 20-10.1-4.4 or other state or nationally recognized certificate or license; plus

(2) eligible pupils enrolled in vocational education programs to be determined at the same time as ADM is determined.

SECTION 4. IC 21-3-12-10, AS ADDED BY P.L.273-1999, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2002]: Sec. 10. **Beginning in 2002**, the amount of the vocational education grant for 2001 is the sum of the following amounts:

STEP ONE: The number of pupils described in section 5 of this chapter (certificates of achievement) multiplied by five hundred fifty dollars (\$550);

STEP TWO: The number of pupils described in section 6 of this chapter (more than a moderate labor market need) multiplied by one thousand dollars (\$1,000);

STEP THREE: The number of pupils described in section 7 of this chapter (a moderate labor market need) multiplied by seven hundred dollars (\$700);

STEP FOUR: The number of pupils described in section 8 of this chapter (less than a moderate labor market need) multiplied by three hundred dollars (\$300);

STEP ONE: For each vocational program provided by the school corporation:

(A) the number of credit hours of the program (either one (1) credit, two (2) credits, or three (3) credits); multiplied by



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(B) the number of students enrolled in the program;
multiplied by

(C) the following applicable amount:

(i) Four hundred fifty dollars (\$450), in the case of a program described in section 6 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(ii) Three hundred seventy-five dollars (\$375), in the case of a program described in section 6 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(iii) Three hundred dollars (\$300), in the case of a program described in section 6 of this chapter (more than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(iv) Three hundred seventy-five dollars (\$375), in the case of a program described in section 7 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(v) Three hundred dollars (\$300), in the case of a program described in section 7 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a moderate wage.

(vi) Two hundred twenty-five dollars (\$225), in the case of a program described in section 7 of this chapter (moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

(vii) Three hundred dollars (\$300), in the case of a program described in section 8 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a high wage.

(viii) Two hundred twenty-five dollars (\$225), in the case of a program described in section 8 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this

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chapter is a moderate wage.

(ix) One hundred fifty dollars (\$150), in the case of a program described in section 8 of this chapter (less than a moderate labor market need) for which the average wage level determined under section 2(b) of this chapter is a less than moderate wage.

~~STEP FIVE:~~ **STEP TWO:** The number of pupils described in section 9 of this chapter (all other programs) multiplied by two hundred ~~thirty~~ **fifty** dollars ~~(\$230):~~ **(\$250).**

~~Of the above allocation in STEPS TWO through FIVE, twenty dollars (\$20) per pupil is to be used for area coordination.~~

STEP THREE: The number of pupils participating in a vocational education program in which pupils from multiple schools are served at a common location multiplied by one hundred fifty dollars (\$150).

SECTION 5. IC 21-3-12-12, AS ADDED BY P.L.273-1999, SECTION 146, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE DECEMBER 31, 2001]: Sec. 12. This chapter expires January 1, ~~2002:~~ **2004.**

SECTION 6. IC 21-3-12-5 IS REPEALED [EFFECTIVE JANUARY 1, 2002].

SECTION 7. [EFFECTIVE JANUARY 1, 2002] **(a) Notwithstanding IC 21-3-12, as amended by this act, each year in 2002 and 2003, the amount of the vocational education grant that shall be provided to each school corporation may not be less than:**

(1) the amount of the vocational education grant that the school corporation received under IC 21-3-1.6-3.3 and IC 21-3-1.6-3.4 in 2001; multiplied by

(2) seventy-five percent (75%).

(b) This SECTION expires July 1, 2004.

SECTION 8. An emergency is declared for this act.



COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1423, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BAUER, Chair

Committee Vote: yeas 22, nays 0.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1423 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 20-1-18-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]:
Sec. 7. (a) Two (2) or more school corporations may cooperate to establish and maintain or supervise schools or departments for vocational education if the governing bodies of these school corporations agree to cooperate and apportion the cost of the schools or departments among the school corporations.

(b) If the cooperating school corporations agree to establish and maintain or supervise the schools or departments under subsection (a), the heads of these school corporations or their delegated representatives constitute a board for the management of the schools or departments. The board may adopt a plan of organization, administration, and support for the schools or departments. This plan, if approved by the Indiana state board of education, constitutes a binding contract between the cooperating school corporations.

(c) **This subsection does not apply to the withdrawal of a course offering from a cooperative agreement.** The governing bodies of the cooperating school corporations may cancel or annul this contract by the vote of a majority of these governing bodies and upon the approval of the Indiana state board of education. ~~However,~~ **In addition, the governing body of a cooperating school corporation may withdraw from a cooperative agreement that does not include an expiration date by doing the following:**

(1) Providing written notice of the school corporation's intent to withdraw from the cooperative agreement to the governing bodies of the other cooperating school corporations at least sixty (60) days before the date the school corporation's withdrawal becomes effective.

(2) Providing written notice of the school corporation's intent to withdraw from the cooperative agreement to the Indiana state board of education at least sixty (60) days before the date the school corporation's withdrawal becomes effective.

(d) **This subsection applies only to the withdrawal of a course offering from a cooperative agreement.** If a school corporation desires to withdraw a course offering from the cooperative agreement after:

(1) attempting to withdraw the course offering under any



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withdrawal procedure authorized by the school corporation's cooperative agreement or by law; and

(2) being denied the authority to withdraw the course offering; the school corporation may appeal the denial to the Indiana state board of education. In the appeal, a school corporation must submit a proposal requesting the withdrawal to the Indiana state board of education for approval. The proposal must describe how the school corporation intends to implement the particular vocational education course and must include a provision that provides for at least a two (2) year phase-out of the educational program or course offering from the cooperative agreement. Upon approval of the proposal by the Indiana state board of education, the school corporation may proceed with the school corporation's withdrawal of the course offering from the agreement and shall proceed under the proposal. This withdrawal procedure may not be construed to permit a school corporation to change any other terms of the contract under subsection (b) except those terms that require the school corporation to provide the particular course offering sought to be withdrawn.

~~(d)~~ (e) The board described in subsection (b) may enter into an agreement to acquire sites, buildings, and equipment by lease or purchase that are suitable for these schools or departments. This authority extends to the acquisition of facilities available under IC 21-5-11.

~~(e)~~ (f) This board may, by resolution adopted by a majority of the board, designate three (3) or more individuals from its membership to constitute an executive committee. To the extent provided in the resolution, this committee shall exercise the authority of the full board in the management of the school and shall submit a written summary of its actions to the full board at least semiannually.

(g) If a school corporation that withdraws from a cooperative agreement without the vote of a majority of the cooperating school corporations under subsection (c) is a party to a lease agreement with the other cooperating school corporations, the withdrawing school corporation must continue to make the lease payments required by the lease agreement."

Renumber all SECTIONS consecutively.

(Reference is to HB 1423 as printed February 1, 2001.)

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